

Genesis 9.0

THE SMOOTHED RETURN DIVERSIFIED ACCOUNT (SRDA)

The SRDA is designed for those seeking professional investment management of their policy funds while minimizing the return volatility typically associated with market investments.



The SRDA investment strategy is centred around a diversified asset allocation, designed to **provide attractive long-term return potential.**

- ✓ Current management fee of 1.25%
- ✓ The net credited rate is:
 - Set using a smoothing formula
 - Determined annually in advance before the beginning of the calendar year
 - Guaranteed to never be negative
- ✓ Interest is earned and compounded daily and credited to the SRDA monthly

Smoothed return approach

The credited rate on the SRDA for a given year is equal to the declared rate of the Smoothed Return Diversified Fund (the Fund) minus the annual management fees.

The Fund declared rate is based on returns earned on the Fund assets to which the Company applies a smoothing formula. This formula amortizes the major fluctuations in returns (positive and negative) and provides a stable, low-volatility declared rate from year to year. The declared rate shouldn't vary by more than 0.5% from one year to the next.

Market Value Adjustment (MVA)

A market value adjustment may be applicable on surrender, withdrawal or transfer from the SRDA. An MVA charge is not applicable if the amounts are transferred out of the SRDA to pay cost of insurance (COI) charges, or as a consequence of the death or disability of a life insured. The MVA factor will reflect the market value of the Fund divided by the sum of the SRDA balances for all policies, but will never be less than zero.

Management Fee

Currently, the annual Management Fee for the SRDA is 1.25%. The maximum guaranteed annual Management Fee for the SRDA is 2%.